

### FY 2014 Budget Highlights

#### Statewide

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- The Governor's revised FY 2014 budget recommendation to the Legislature included a beginning balance of \$79,952,900 and a revenue estimate of \$2,808,220,000. After transfers and estimated expenditures the Governor's recommendation was a 3.9% increase from the FY 2013 Total Expenditures and was projected to end the fiscal year with a zero balance.
- The Joint Finance-Appropriation Committee (JFAC) used the Governor's revenue estimate of \$2,808,220,000.
- After legislative action and transfer to other funds the ending balance for FY 2014 is projected to be \$26,864,200.

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- The Governor's revised budget recommendation reflected a 3.8% growth in spending. The Legislature's final action on General Fund budgets reflected an overall spending increase of 5.6%.
- The Governor's recommendation included \$15,000,000 to be transferred to the Water Resources Board, \$2,000,000 for Wolf Control Fund, and \$1,000,000 to the Constitutional Defense Fund. The Legislature provided the \$15,000,000 transfer to the Water Resources Board as a transfer in FY 2014. The Legislature provided \$400,000 as a one-time transfer for the Wolf Control Fund, and provided for a \$1,000,000 transfer to the Constitutional Defense Fund.
- The Governor's budget recommendation reserved \$30,000,000 for tax relief. However, he supported the Legislature's decision to direct those funds to education, moving the state closer to achieving the goals of his Task Force for Improving Education.
- The Governor recommended funding the personnel benefit cost adjustments. The Legislature also provided for an ongoing 1% increase and funding for an equivalent of a one-time 1% bonus for state employees, based upon employee merit with flexibility in distribution as determined by the agency directors. Also funded was a 1% payroll adjustment.

### Education

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#### **Public School Support**

In the FY 2015 Public Schools Support Program, the Governor recommended an additional \$36,900,000 from the General Fund, for an increase of 2.8%. The Legislature appropriated an additional \$66,200,000 from the General Fund, for an increase of 5.1%.

A number of recommendations from the Governor's Task Force for Improving Education received funding for implementation. These include the following:

**Restoration of Operational Funding:** The Governor recommended, and the Legislature appropriated, a down payment of \$35,000,000 from the General Fund to begin a five-year plan to restore discretionary funding to at least the FY 2009 distribution factor of \$25,696. The restoration of \$35,000,000 results in the distribution factor increasing from \$20,000 to \$22,401.

**Compensation:** The Legislature appropriated funding from the General Fund in the amount of \$10,221,900 for a 1% CEC for administrators, teachers, and non-certified personnel and \$15,800,000 for teacher leadership premium awards. Funding was also appropriated to increase the minimum teacher pay from \$31,000 to \$31,750.

**Professional Development:** The Governor recommended, and the Legislature appropriated, an additional \$8,250,000 in one-time General Fund for teacher professional development. This, coupled with \$1,055,000 currently in the base for professional development, will result in a distribution of \$9,455,000 for teacher professional development. In addition, \$2,700,000 is appropriated to the Superintendent of Public Instruction for professional development, training, and assistance for the purpose of Idaho core standards implementation. Total professional development funding amounts to \$12,155,000.

**Technology:** The Governor recommended \$10,400,000 in ongoing funding for the purchase of technology devices for wireless technology infrastructure, and for the maintenance of an internet-based portal of available online courses. The Legislature appropriated \$8,000,000 in ongoing General Fund for classroom technology, \$2,250,000 in one-time General Fund for statewide Wi-Fi services within the newly created Division of Central Services, and \$150,000 in ongoing General Fund for the continued maintenance and operation of an internet-based portal of online courses, for a total of \$10,400,000 million.

**Technology Pilot Projects:** The Governor recommended, and the Legislature appropriated, \$3,000,000 in one-time dedicated fund spending authority for a second year of technology pilot projects designed to improve student academic growth. Funds will be distributed based upon a competitive grant process.

#### **Other Highlights for Public Schools include:**

**Maintenance:** The Governor recommended \$8,625,100 for maintenance, which included funding from the General Fund for a projected increase of 47 support units. The Legislature appropriated a net of \$12,567,700 for maintenance, which includes funding for 179 support units.

**Operational Funds:** The Governor recommended, and the Legislature appropriated, \$7,406,200 in General Fund to backfill operational funding due to the phased approach to restore facilities funding and safe and drug free school funding to their original statutory purpose.

### **Agricultural Research and Extension – University of Idaho**

**Key Personnel and Operational Needs:** An increase of \$1,510,000 from the General Fund was recommended by the Governor, and supported by the Legislature, for added potato pathology and barley agronomy staff, as well as resources for base operational needs of the Idaho Agricultural Experiment Station and Cooperative Extension Service programs.

### **College & Universities**

**60% Post-Secondary Education Attainment Goal for Young Idaho Adults:** In response to the Governor's recommendation, the Legislature appropriated a level of \$2,759,700 from the General Fund to address challenges for meeting the Idaho State Board of Education's 60% young adult (25 to 34 years) population goal of attaining higher education graduation or post-secondary certificate by 2020.

**Center for Advanced Energy Studies (CAES):** The Governor proposed, and the Legislature supported, increasing funding for the Center for Advanced Energy Studies (CAES) at the U.S. Department of Energy's Idaho National Laboratory (INL) in Idaho Falls by \$1,000,000 equally divided between Boise State University, Idaho State University, and the University of Idaho. This additional ongoing state funding will allow the Center to solidify current research partnerships and expand connections with industry through workforce development, technical, and research assistance.

**College of Law - Boise 2nd Year Curriculum:** The Governor recommended, and the Legislature supported, \$400,000 for initiating second-year University of Idaho-College of Law curriculum in Boise.

### **Community Colleges**

**Nursing Staff Support:** The Governor proposed, and the Legislature supported, \$302,900 from the General Fund for the College of Western Idaho's (CWI) registered nursing program to satisfy faculty and academic advisory staffing requirements.

**Expansion of Sandpoint Outreach Center:** In reaction to the Governor's recommendation, the Legislature provided an increase of \$302,300 for North Idaho College (NIC) to offer a wider variety of courses in the immediate Sandpoint area.

**Idaho Falls Outreach Center:** The Governor was also supported in his \$143,600 budget recommendation for the College of Southern Idaho's (CSI) Idaho Falls Outreach Center to offer more immediate course access within this major Eastern Idaho population center.

### **Education, State Board of**

**Education Task Force Support:** In response to the Governor's recommendation, the Legislature appropriated one-time General Fund amounts of \$20,000 in FY 2014 and \$30,000 in FY 2015 to support the Education Task Force special committees that would function under State Board oversight. These committees are expected to address questions regarding public school structure and funding, with emphasis on career ladder and tiered licensure, accountability, and autonomy, mastery learning, average daily attendance, and cooperative service agencies.

### Health Programs

**Continuation of Five Medical School Seats (Year Two of Four):** The Governor recommended, and the Legislature supported, \$252,400 from the General Fund for continued training of five Idaho TRUST (Targeted Rural Under-Served Track) students, who will be progressing on to their second year of Washington-Wyoming-Alaska-Montana-Idaho (WWAMI) medical instruction through the University of Washington School of Medicine during FY 2015.

**Kootenai Family Medicine Residency:** The Governor proposed, and the Legislature supported, \$200,000 for start-up in July 2014 of a new medicine residency program. This family physician initiative targeted at northern Idaho will complement other similarly state sponsored residencies in Boise/Caldwell, Twin Falls, and Pocatello. Initially, there will be six first-year Kootenai residents, with a total of 18 developing physicians in training after two more years.

### Professional Technical Education

**Advanced Manufacturing Initiative:** The Governor proposed, and the Legislature supported, a total of \$1,334,600 from the General Fund for a new effort which will address specific instructional needs for emerging computer integrated manufacturing. In order to help ensure that Idaho manufacturers remain competitive in today's fast changing economy, they must implement operation of highly sophisticated digital controls for production with trained personnel capable of running and maintaining such systems.

### Superintendent of Public Instruction

**School Safety:** The Governor recommended, and the Legislature appropriated, the restoration of \$2,165,700 of safe and drug free school funding to its original statutory purpose resulting in the requirement that school districts use this funding to develop and implement school safety improvements.

**Idaho Science and Aerospace Scholars Program:** The Governor recommended \$500,000 in ongoing General Fund for the state's science and aerospace scholars program within the Public Schools Support Program. This scholarship based program will fund 80 to 90 scholarships and is designed to inspire 11th grade students to pursue degrees and careers in science, technology, engineering, and mathematics (STEM). The Legislature appropriated one-time dedicated fund spending authority of \$450,000 within the Superintendent of Public Instruction's budget.

## Health and Human Services

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### Health & Welfare, Department of

**Supplemental & FY 2015 - TRICARE Immunization Coverage:** The Governor recommended, and the Legislature appropriated, one-time General Fund for vaccines for TRICARE children in both FY 2015 and as a supplemental in FY 2014. Currently, TRICARE is unauthorized to cover the costs of vaccinations purchased through state assessments, as structured for all other private insurance providers in Idaho.

**Annualization of Woodwork Effect:** The Legislature appropriated half of the recommended General Fund and federal funds increase for the anticipated costs of the Medicaid woodwork effect. Medicaid expenditures have continued to trend downward and most recent projections suggest the reduced appropriation will be adequate. The Medicaid woodwork effect is the increased caseload resulting from people that are currently eligible for Medicaid benefits, but not currently enrolled in the program.

**Community Crisis Centers:** The Legislature approved authorizing legislation and appropriated funding for one community crisis center. The Governor recognized the critical need for such facilities, and endorsed the concept in his State of the State Address, as well as proposed the authorizing legislation. The center will operate as a contract facility, providing critical stabilization services for individuals in crisis, which might otherwise result in costly emergency room visits, hospitalizations, or incarceration. The crisis centers are a voluntary short-term (24 hours or less) care facility to help get an individual stabilized and directed to ongoing treatment services within the community in their discharge plan.

## Public Safety

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### Correction, Dept. of

**SUD Enhancement:** The Governor recommended an ongoing General Fund supplemental for the Substance Use Disorder (SUD) Program (\$818,900). The Legislature approved a transfer of \$953,400 from the Substance Abuse Treatment Fund within the Supreme Court to the Substance Abuse Treatment Fund within the Department of Correction and appropriated a one-time supplemental of \$848,900 from the Substance Abuse Treatment Fund. This funding will be used to cover substance abuse treatment services for offenders in need of such services.

**Security Checks:** The Governor recommended, and the Legislature approved, ongoing General Fund for correctional officers at the Idaho Maximum Security Institution (IMSI). The additional officers will allow the department to comply with restrictive housing cell checks that are required to be performed at least once every 30 minutes on an irregular basis.

**Pre-Sentence Investigators:** The Governor recommended, and the Legislature approved, ongoing and one-time General Fund for five additional pre-sentencing investigators to assist the department in performing timely and accurate investigations and reports now statutorily required for every felony offender.

**Idaho Correctional Center:** The Governor recommended, and the Legislature approved, \$1,931,200 in FY 2014 one-time General Fund to transition the operation of the Idaho Correctional Center (ICC) from a privately-operated facility to a state-operated facility. In addition, contract medical services were expanded to cover this population.

### Juvenile Corrections, Dept. of

**Juvenile Sexual Harassment and Assault Prevention:** The Governor recommended, and the Legislature appropriated, one-time General Fund for additional resources for the implementation of standards to prevent sexual harassment and assault. Funds will be used to prevent, detect, and respond to sexual harassment and assault. Expansion of video monitoring will include DVR servers that can incorporate RAID (redundant array of independent disks) storage and additional cameras. Specialized training and curriculum will be provided for investigators, medical, and mental health staff. The Governor recommended and the Legislature approved ongoing General Fund for basic mandatory and refresher training for department staff every two years.

### Police, Idaho State

**Investigations Officers:** The Governor recommended \$393,700 in ongoing and \$208,200 in one-time General Fund for four detectives. The Legislature approved \$196,900 in ongoing and \$104,100 in one-time General Fund for two detectives. ISP supports every law enforcement agency in the state in working complex, large scale drug trafficking cases, and complex or high profile criminal cases.

**Patrol Officers:** The Governor recommended, and the Legislature concurred with, providing \$518,500 in ongoing and \$411,700 in one-time General Fund for two troopers and four sergeants.

**ILETS Funding:** The Governor recommended, and the Legislature concurred with, providing ongoing General Fund and ongoing and one-time ILETS Fund spending authority for the Public Safety and Security Information System, commonly known as ILETS. The ILETS system is utilized by the entire Idaho law enforcement and criminal justice system to ensure the continued safety of Idaho citizens and provides officers in the field instant access to numerous data bases, which include: warrants, registrations, driver licenses, civil protection orders, concealed weapons, missing persons, and criminal history.

**Laboratory System Director:** The Governor recommended, and the Legislature concurred with, providing ongoing and one-time General Fund for a civilian forensics laboratory system director. This position will provide organizational structure for strategic planning, leadership continuity, and accountability.

## Natural Resources

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### **Parks and Recreation, Department of**

**Enhancements and repairs:** The Governor recommended, and the Legislature approved, funding \$1,800,000 million in General Fund for enhancements and repairs to state parks.

### **Water Resources, Department of**

**Water Sustainability Initiative:** The Governor recommended \$15,000,000 in one-time FY 2015 General Fund for Water Sustainability Initiative projects including acquiring water rights to provide a reliable water supply to Mountain Home Air Force Base; conducting studies of the Rathdrum Prairie Aquifer to support the establishment of municipal water rights for long-term needs; initiating environmental compliance and land exchange analysis for the Galloway Project; completing Arrowrock enlargement and flood control feasibility study; beginning Island Park Reservoir Enlargement Project; developing computer infrastructure necessary for the operation of the Water Supply Bank; and developing additional managed recharge capacity. The Legislature approved the Water Sustainability Initiative projects as a FY 2014 transfer.

## Economic Development

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### **Agriculture, Department of**

**Wolf Control Fund:** The Governor recommended a \$2,000,000 one-time transfer of General Fund to support the long-term solutions to address the issue of adequate funding for wolf control. The Legislature approved a \$400,000 one-time transfer from the General Fund to the new Wolf Control Fund. Moneys in this fund will be to form a five member commission to address the wolf control issues. The livestock industry and sportsmen will provide an additional \$110,000 each to the Wolf Control Fund on an annual, ongoing basis.

### **Commerce, Department of**

**International Trade Office Enhancement:** The Governor recommended \$30,000 in ongoing General Fund to enhance the state's international trade efforts in markets showing the greatest promise for Idaho companies. The Legislature appropriated funds for this enhancement, as well as for a similar recommendation in the Department of Agriculture's budget for a total of \$60,000 for the international trade office enhancement.

### **Veteran's Services, Division of**

**Veterans Courts:** The Legislature appropriated as the Governor recommended, one-time federal fund spending authority for the continued development of Veterans Courts. The newly established Veterans Courts work similarly to other specialty courts such as the Drug or Mental Health Courts.

## **General Government**

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### **Administration, Department of**

**Idaho State Wellness Program:** The Governor recommended, and the Legislature appropriated, one-time spending authority for printing, video production, graphic design, and website development, and ongoing spending authority for mailing expenses for the thriveidaho program.

**Idaho Education Network:** The Governor worked with the Legislature to secure a \$6,600,000 General Fund supplemental for FY 2014, and a \$4,800,000 one-time General Fund appropriation for FY 2015, to cover federal e-rate funds for the Idaho Education Network (IEN). The Universal Service Administrative Company (USAC), the contractor administering e-rate dollars for the Federal Communications Commission (FCC), has been holding Idaho funds due to a lawsuit over the contract. This appropriation ensures the IEN will continue providing uninterrupted broadband to Idaho schools until the issue is resolved.

### **Military Division**

**Idaho Youth ChalleNge Positions:** The Governor recommended, and the Legislature appropriated, \$292,000 in additional spending authority for the Youth ChalleNge Program to add five cadre team leader positions to provide 24/7 coverage for the students of the second class, starting July 1, 2014. Cadre team leaders are responsible for providing leadership, direction, and guidance to the cadets in the program.

### **Species Conservation, Office of**

**Governor's Sage Grouse Management Alternative Lek Monitoring:** The Governor recommended, and the Legislature appropriated, one-time funding of \$50,000 for FY 2014 and \$200,000 for FY 2015 to implement his Sage Grouse Management Alternative. A monitoring survey of lek routes will be conducted by the Idaho Department of Fish and Game, federal agencies, and volunteers in both FY 2014 and FY 2015.

### **Tax Commission, State**

**Modernize Property Tax Software for Counties:** The Governor recommended, and the Legislature approved, \$200,000 in General Fund for migration and modernization of the Property Tax Division's 30 year old legacy tax administration system to a client server, web-based format. Currently, 24 Idaho counties rely on this property tax software. This planned upgrading effort will result in cost savings for those Idaho jurisdictions.